



IOWA GENERAL ASSEMBLY
Administration and Regulation Appropriations Sub-Committee
February 11, 2004

Iowa Department of Revenue Issue Brief

1. Charter Agency Status

- Responsibilities:

Generate \$1 million in FY'04 and \$1.5 million in each of remaining 4 years of Charter

- Plan for achieving results:

Hire five new Revenue Examiners and one clerical support, increase examination of returns and reduce interest paid on refunds (Charter Agency Grant Fund provided \$270,000 to fund positions; all new employees on the payroll as of Oct, '03

- Results to Date:

At the end of December \$473,000 has been collected and/or saved in interest payments.

2. Additional Funding and Staffing Appropriated for FY '04

- Fourteen positions appropriated in FY'04:

Will increase revenues by \$4.81 million in FY'05

Results to date: Positions filled as of August of '03; current new revenue for positions \$640,000

- Two positions appropriated in special session:

Will enhance revenue estimating and decrease interest payments by \$100,000

Results to date: Both positions filled as of October of '03, current interest savings \$50,000

3. Impacts of Appropriation Reductions

- Salary adjustment funds are equivalent to 17 positions
- Increased interest on refunds due to reduction of temporary staff
- Reductions in enforcement staff reduce general fund revenues
- FY '03 return on investment for enforcement staff positions:

Agents	\$1,000,000
Auditors	300,000
Examiners	800,000